

0020

*Incoming*  
*C/007/0019*  
*&*

**From:** "Shaver, Dave" <dshaver@coalsource.com>  
**To:** "Angela Nance" <angelanance@utah.gov>  
**Date:** 6/26/2009 8:57 AM  
**Subject:** FW: Centennial LOC  
**Attachments:** 20090617145122.pdf; Original LOC & 1st Amend.pdf

-----Original Message-----

From: Piccolini, Paul  
Sent: Friday, June 26, 2009 8:40 AM  
To: Shaver, Dave  
Subject: FW: Centennial LOC  
Importance: High

Dave,  
Please give me a call to discuss. The LOC is currently in place, and renews automatically each year. The documents they have are valid.

Paul B. Piccolini  
Director of Insurance and Workers' Compensation  
Murray Energy Corporation  
56854 Pleasant Ridge Road  
Alledonia, OH 43902  
Phone: (740) 926-1351, Ext. 334  
Fax: (740) 926-1391  
E-Mail: ppiccolini@coalsource.com

-----Original Message-----

From: Loiacono, Mike  
Sent: Friday, June 26, 2009 9:08 AM  
To: Piccolini, Paul  
Cc: Turner, James  
Subject: FW: Centennial LOC  
Importance: High

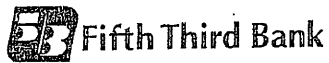
Paul - What was sent to you was only a copy of the second amendment (1st attachment below). I have attached the original LOC and the first amendment which are still in place and valid. You will note that the LOC automatically renews unless a cancellation notice is issued by the bank, which it has not done. - Mike

-----Original Message-----

From: Piccolini, Paul  
Sent: Friday, June 26, 2009 7:44 AM  
To: Loiacono, Mike; Turner, James  
Subject: FW: Centennial LOC

Mike, Jim,  
Can you advise here? Thanks.

Paul B. Piccolini  
Director of Insurance and Workers' Compensation  
Murray Energy Corporation  
56854 Pleasant Ridge Road



LETTER OF CREDIT NO.

PAGE 1

ISSUING BANK:  
FIFTH THIRD BANK, (NORTHEASTERN OHIO)

BENEFICIARY:  
STATE OF UTAH  
DIVISION OF OIL, GAS & MINING  
ATTN: PAMELA GRUBAUGH-LITTIG  
1504 WEST NORTH TEMPLE, SUITE 1210,  
P.O. BOX 145801, SALT LAKE CITY, UT  
84114-5801

APPLICANT:  
ANDALEX RESOURCES, INC. AND  
INTERMOUNTAIN POWER AGENCY  
29325 CHAGRIN BLVD., SUITE 300  
PEPPER PIKE, OH 44122

LETTER OF CREDIT NO:  
ISSUE DATE: DECEMBER 27, 2006  
EXPIRATION DATE: AUGUST 01, 2007  
EXPIRATION PLACE: AT OUR COUNTERS  
AMOUNT: 91,161.00 USD NINETY ONE THOUSAND ONE HUNDRED SIXTY ONE  
00/100

RE: PERMIT NO. C/007/019

ON BEHALF OF ANDALEX RESOURCES, INC. AND INTERMOUNTAIN POWER AGENCY (THE "PERMITTEE"), WE HEREBY ESTABLISH OUR IRREVOCABLE LETTER OF CREDIT IN YOUR FAVOR, PAYABLE IN PART OR FULL TO THE STATE OF UTAH, DIVISION OF OIL, GAS AND MINING, AVAILABLE BY YOUR DRAFT(S) AT SIGHT DRAWN ON FIFTH THIRD BANK (NORTHEASTERN OHIO), 38 FOUNTAIN SQUARE PLAZA, MD10903C, CINCINNATI OH 45202, IN AN AMOUNT NOT TO EXCEED USD91,161.00 (NINETY ONE THOUSAND ONE HUNDRED SIXTY ONE AND 00/100 UNITED STATES DOLLARS) ACCOMPANIED BY A STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE DIVISION OF OIL, GAS AND MINING ("DOGM") CERTIFYING THAT THE DRAWING IS PURSUANT TO R645-301-880-900, BECAUSE OF ONE OR MORE VIOLATIONS OF THE SURFACE MINING CONTROL AND RECLAMATION ACT, THE REGULATORY PROGRAM, THE PERMIT AND THE RECLAMATION PLAN.

THIS LETTER OF CREDIT WILL AUTOMATICALLY BE EXTENDED FOR PERIODS OF ONE YEAR FROM ANY SCHEDULED EXPIRATION DATE (AS ORIGINALLY



Alledonia, OH 43902  
Phone: (740) 926-1351, Ext. 334  
Fax: (740) 926-1391  
E-Mail: ppiccolini@coalsource.com  
-----Original Message-----  
From: Shaver, Dave  
Sent: Friday, June 19, 2009 2:02 PM  
To: Piccolini, Paul  
Subject: FW: Centennial LOC

Hi Paul... Is this something you can help me out with? Thanks

Dave

-----Original Message-----  
From: Angela Nance [mailto:angelanance@utah.gov]  
Sent: Wednesday, June 17, 2009 4:15 PM  
To: Shaver, Dave  
Cc: Daron Haddock; Karl Houskeeper; Pete Hess  
Subject: Centennial LOC

Hi Dave,

Please see the attached letter regarding Letter of Credit #  
original letter is being sent via regular mail.

The

Thank you,  
Angela  
angelanance@utah.gov



LETTER OF CREDIT NO.

PAGE 2

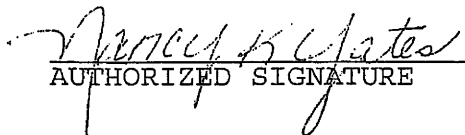
SCHEDULED OR AUTOMATICALLY EXTENDED) UNLESS AT LEAST NINETY (90) DAYS PRIOR TO SUCH DATE WE NOTIFY YOU IN WRITING BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR OVERNIGHT COURIER, THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD.

UPON RECEIPT BY YOU OF SUCH NOTICE, YOU MAY DRAW ON US AT SIGHT FOR THE AMOUNT OF THIS LETTER OF CREDIT BEGINNING 30 DAYS OR LESS PRIOR TO THE THEN APPLICABLE EXPIRATION DATE, BY YOUR DRAFT AS DESCRIBED ABOVE ACCOMPANIED BY A STATEMENT SIGNED BY DOGM'S BOND APPROVING OFFICER CERTIFYING THAT THE AMOUNT OF THE DRAWING REPRESENTS FUNDS DUE DOGM BECAUSE THE PERMITTEE HAS FAILED TO REPLACE THIS LETTER OF CREDIT BY OTHER SUITABLE BOND PURSUANT TO R645-301-860.222 AND R645-301-870.

WE CERTIFY THAT THE AMOUNT OF THE CREDIT HEREIN ESTABLISHED WILL NOT BE REDUCED FOR ANY REASON DURING THE PERIOD OF THIS INSTRUMENT WITHOUT THE WRITTEN CONSENT OF DOGM. WE WILL GIVE PROMPT NOTICE TO THE PERMITTEE AND TO DOGM'S BOND APPROVING OFFICER OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING THE INSOLVENCY OR BANKRUPTCY OF THE BANK, OR ALLEGING ANY VIOLATIONS OR REGULATORY REQUIREMENTS WHICH COULD RESULT IN SUSPENSION OR REVOCATION OF THE BANKS CHARTER OR LICENSE TO DO BUSINESS.

IN THE EVENT THE BANK BECOMES UNABLE TO FULFILL OUR OBLIGATIONS UNDER THIS LETTER OF CREDIT FOR ANY REASON, NOTICE SHALL BE GIVEN IMMEDIATELY TO THE PERMITTEE AND TO DOGM'S BOND APPROVING OFFICER.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

  
AUTHORIZED SIGNATURE

  
AUTHORIZED SIGNATURE

LETTER OF CREDIT NO.

PAGE 1

AMENDMENT NUMBER: 001

DATE OF AMENDMENT:  
JANUARY 16, 2007

ISSUING BANK:  
FIFTH THIRD BANK (NORTHEASTERN OHIO)

APPLICANT:  
ANDALEX RESOURCES, INC. AND  
INTERMOUNTAIN POWER AGENCY  
29325 CHAGRIN BLVD., SUITE 300  
PEPPER PIKE, OH 44122

BENEFICIARY:  
STATE OF UTAH  
DIVISION OF OIL, GAS & MINING  
ATTN: PAMELA GRUBAUGH-LITTIG  
1504 WEST NORTH TEMPLE, SUITE 1210,  
P.O. BOX 145801, SALT LAKE CITY, UT  
84114-5801

RE: OUR IRREVOCABLE LETTER OF CREDIT NO. CIS405956 ISSUED IN  
FAVOR OF STATE OF UTAH FOR THE ACCOUNT OF ANDALEX RESOURCES, INC.  
AND INTERMOUNTAIN POWER AGENCY IN THE AMOUNT OF 91,161.00 USD

PLEASE AMEND THE ABOVE AS FOLLOWS:

BENEFICIARY'S NAME AND ADDRESS WILL NOW READ AS:  
STATE OF UTAH  
DIVISION OF OIL, GAS & MINING, AND  
OFFICE OF SURFACE MINING  
1594 WEST NORTH TEMPLE, SUITE 1210  
P.O. BOX 145801, SALT LAKE CITY, UT  
84114-5801

APPLICANT'S NAME AND ADDRESS WILL NOW READ AS:  
ANDALEX RESOURCES, INC.  
P.O. BOX 902, 6750 NORTH AIRPORT RD.  
PRICE, UT 84501

ON PAGE NUMBER ONE, DELETE PARAGRAPH NUMBER ONE IN ITS ENTIRETY  
AND REPLACE IT WITH THE FOLLOWING:

"ON BEHALF OF ANDALEX RESOURCES, INC. (THE "PERMITTEE"), WE  
HEREBY ESTABLISH OUR IRREVOCABLE LETTER OF CREDIT IN YOUR FAVOR,  
PAYABLE IN PART OR FULL TO THE STATE OF UTAH, DIVISION OF OIL,  
GAS AND MINING AVAILABLE BY YOUR DRAFT(S) AT SIGHT DRAWN ON FIFTH  
THIRD BANK (NORTHEASTERN OHIO),

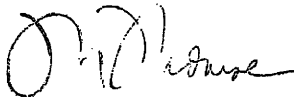
LETTER OF CREDIT NO.

PAGE 2

38 FOUNTAIN SQUARE PLAZA, MD10903C, CINCINNATI OH 45202, IN AN AMOUNT NOT TO EXCEED USD 91,161.00 (NINETY ONE THOUSAND ONE HUNDRED SIXTY ONE AND 00/100 UNITED STATES DOLLARS) ACCOMPANIED BY A STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE DIVISION OF OIL, GAS AND MINING ("DOGM") CERTIFYING THAT THE DRAWING IS PURSUANT TO R645-301-880-900, ANDALEX RESOURCES, INC. IS IN VIOLATION OF ONE OR MORE VIOLATIONS OF THE SURFACE MINING CONTROL AND RECLAMATION ACT, THE REGULATORY PROGRAM, THE PERMIT AND THE RECLAMATION PLAN."

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

REGARDS,



AUTHORIZED SIGNATURE



AUTHORIZED SIGNATURE

Bond Number

**AFFIDAVIT OF QUALIFICATION  
INSTITUTION (Bank or Agency)  
--ooOOoo--**

I, MARILYN MONROE, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) OFFICER of FIFTH THIRD BANK; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said INSTITUTION (Bank or Agency) is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.



(Signed)

Name - Position

Marilyn Monroe - Assistant Vice President

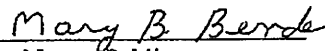
Attest: \_\_\_\_\_

STATE OF OH )

) ss:

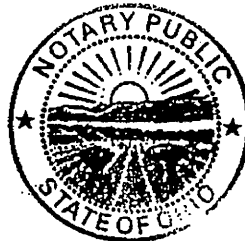
COUNTY OF Hamilton )

Subscribed and sworn to before me this 19th day of January, 2007.

  
Notary Public

My Commission Expires:

May 8, 2010.



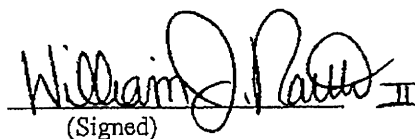
**MARY B. BENDER**  
Notary Public, State of Ohio  
My Commission Expires  
May 8, 2010

Bond Number \_\_\_\_\_

AFFIDAVIT OF QUALIFICATION  
INSTITUTION (Bank or Agency)

--ooOOoo--

I, William J. Nartker II, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) employee of Fifth Third Bank; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said INSTITUTION (Bank or Agency) is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

  
(Signed)

Name - Position  
William J. Nartker - Trade Services Supervisor

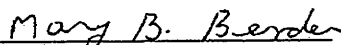
Attest: \_\_\_\_\_

STATE OF OH )

) ss:

COUNTY OF Hamilton )

Subscribed and sworn to before me this 19th day of January, 2007.

  
Notary Public

My Commission Expires:

May 8, 2010.



MARY B. BENDER  
Notary Public, State of Ohio  
My Commission Expires  
May 8, 2010





JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 17, 2009

Dave Shaver, Manager  
Andalex Resources, Inc.  
P.O. Box 910  
East Carbon, Utah 84520-0910

Subject: Letter of Credit  
Outgoing File

Andalex Resources, Inc., Centennial Project, C/007/0019.

Dear Mr. Shaver:

Enclosed please find a copy of the amended Letter of Credit which states that it will expire on August 1, 2009. Please be advised that Andalex Resources, Inc. must maintain continuous bond coverage. If this letter of credit is not renewed or replaced at least 30 days before its expiration date (by July 1, 2009), it will be forfeited (R645-301-860-222).

If you have any questions, please feel free to call me at (801) 538-5264.

Sincerely,

*Angela Nance*  
Angela Nance  
Bond Coordinator

an  
Enclosure  
cc: Price Field Office  
O:\007019.CEN\FINAL\BondLetter061709.doc





LETTER OF CREDIT NO.

PAGE 1

AMENDMENT NUMBER: 002

DATE OF AMENDMENT:  
MAY 07, 2008

ISSUING BANK:  
FIFTH THIRD BANK, (NORTHEASTERN OHIO)

APPLICANT:  
ANDALEX RESOURCES, INC. AND  
INTERMOUNTAIN POWER AGENCY  
29325 CHAGRIN BLVD., SUITE 300  
PEPPER PIKE, OH 44122

BENEFICIARY:  
STATE OF UTAH  
DIVISION OF OIL, GAS & MINING  
ATTN: PAMELA GRUBAUGH-LITTIG  
1504 WEST NORTH TEMPLE, SUITE 1210,  
P.O. BOX 145801, SALT LAKE CITY, UT  
84114-5801

RE: OUR IRREVOCABLE LETTER OF CREDIT NO. ISSUED ON  
DECEMBER 27, 2006 IN FAVOR OF STATE OF UTAH FOR THE ACCOUNT OF  
ANDALEX RESOURCES, INC. AND INTERMOUNTAIN POWER AGENCY IN THE  
AMOUNT OF USD91,161.00 USD

PLEASE AMEND THE ABOVE AS FOLLOWS:

WE HEREBY RESCIND OUR NON-RENEWAL NOTICE DATED APRIL 30, 2008.


LETTER OF CREDIT NO. CIS405956 HAS BEEN CHANGED TO S405956.

DOCUMENTS PRESENTED PRIOR TO THIS NOTICE REFERENCING THE OLD  
LETTER OF CREDIT NUMBER WILL NOT BE CONSIDERED A DISCREPANCY.  
HOWEVER, ANY DOCUMENTS PRESENTED AFTER THIS NOTICE SHOULD BEAR  
THE NEW LETTER OF CREDIT NO. S405956.

EXPIRATION DATE IS NOW AMENDED TO READ AUGUST 01, 2009.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

REGARDS,

  
AUTHORIZED SIGNATURE

  
AUTHORIZED SIGNATURE

RECEIVED  
MAY 21 2008  
DIV. OF OIL, GAS & MINING